

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Streamlining the Commission's)
Rules and Regulations for Satellite)
Application and Licensing Procedures)

IB Docket No. 95-117

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To: The Commission

REPLY COMMENTS OF
PANAMSAT CORPORATION

PanAmSat Corporation ("PanAmSat") submits this reply to the comments filed in response to the Notice of Proposed Rulemaking ("NPRM") in the above-referenced proceeding.

In the NPRM, the Commission proposed to streamline its satellite application and licensing procedures in a variety of ways. PanAmSat, like the vast majority of commenting parties, generally supported the Commission's proposals, but cautioned that the proposed streamlining should not inhibit the Commission's ability to prevent anticompetitive or unfair practices. In particular, PanAmSat opposed the proposal to eliminate the inclined orbit application requirement because of its concern that the elimination of this requirement will facilitate the warehousing of orbital slots with aging satellites. Other parties expressed similar concerns.¹

In a highly concentrated domestic satellite market, the Commission must work to promote access to the market by new entrants. PanAmSat has suggested in other proceedings that the Commission impose a cap on the number of orbital locations that any single satellite operator should be

¹ See, e.g., Comments of Hughes Communications Galaxy, Inc. (filed Oct. 4, 1995) at 4; Comments of GE American Communications, Inc. (filed Oct. 4, 1995) at 5 n.4.

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allowed to hold.² Because prime orbital locations are becoming increasingly scarce, the fair and equitable distribution of orbital locations is essential to the development of a competitive market for satellite-delivered services. Conversely, an over-concentration of orbital locations in the hands of one or a few entities leads to *de facto* monopoly or oligopoly market conditions.

Other satellite providers, at one time or another, have recognized the importance of capping the number of orbital locations assigned to each operator in order to distribute orbital locations equitably among all satellite carriers, including new entrants. For example Hughes, which now opposes a cap on the number of orbital locations that any single carrier may hold,³ advocated just such a cap when it was a new entrant in the domestic market rather than the dominant satellite operator.⁴

The occupation of orbital locations by end-of-life satellites in inclined orbit similarly may work to exclude new entrants and inhibit competition. As the Commission knows, the useful life of a geostationary satellite often can be extended for several years by reducing the fuel spent on maintaining geostationary orbit. The requirement that operators apply for authority to operate a satellite in inclined orbit allows the Commission to monitor space station usage and, by denying such applications when appropriate, to prevent operators from holding scarce orbital slots that could be used by new, state-of-the-art space stations or emerging competitors.

² See In re Application of Hughes Communications Galaxy, Inc., For Authority to Construct Launch and Operate a Hybrid Satellite at 123° W.L., Opposition of PanAmSat (filed Sept. 25, 1995); Amendment to the Commission's Regulatory Policies Governing Domestic Fixed Satellites and Separate International Satellite Systems, IB Docket No. 95-41, Reply Comments of PanAmSat (filed June 8, 1995).

³ See In re Hughes Communications Galaxy, Inc., Opposition of Hughes (filed Oct. 10, 1995).


⁴ See In re Assignment of Orbital Locations to Space Stations in the Domestic Fixed-Satellite Service, 84 FCC.2d 584, 591 (1981) (Hughes arguing that "existing carriers should be limited to three orbital locations so that new entrants can be accommodated"); Application of RCA American Communications, Inc., 84 FCC.2d 622, 637-38 (1981) (Hughes suggesting that the Commission should consider limiting the number of orbital locations assigned to each carrier).

If competition is to flourish and customers are to be provided with the most advanced telecommunications facilities available, the Commission must ensure that the desirable orbital locations are not being warehoused by dominant satellite providers.

Thus, although PanAmSat supports most of the proposals in the NPRM to streamline the Commission's satellite licensing and applications procedures, it urges the Commission to abandon its proposal to eliminate the requirement that operators apply for specific authority to operate a satellite in inclined orbit.

Respectfully submitted,

PANAMSAT CORPORATION

A handwritten signature in dark ink, appearing to read "H. R. Ferree", is written over a horizontal line.

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October 25, 1995

CERTIFICATE OF SERVICE

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